



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 40

**IMPLEMENTING THE LOCAL GOVERNMENT REFORM PROJECT AND
CREATING AN INTERAGENCY GOVERNING BOARD FOR THE PURPOSE**

WHEREAS, the updated Philippine Development Plan 2017 – 2022 emphasizes the role of local government units (LGUs) in promoting local investment, social protection, and delivery of other basic services;

WHEREAS, the National Government has embarked on a series of continuing reforms to strengthen local governance, improve local resource mobilization, and public financial management through a programmatic approach;

WHEREAS, the Local Government Reform Project (LGRP), in partnership with the Asian Development Bank (ADB), aims to boost local government revenue mobilization through improvements on the administration and management of real property taxes;

WHEREAS, the Project Administration Manual of the LGRP provides guidance on administrative and financial management requirements to ensure timely implementation of the Project, within the approved budget, and in accordance with the policies and procedures of the National Government and the ADB;

WHEREAS, the LGRP has a project horizon of four (4) years with the Bureau of Local Government Finance of the Department of Finance (DOF) as the Executing Agency, and several key National Government agencies as implementing partners;

WHEREAS, to ensure the successful implementation of the LGRP, and as part of its implementing arrangements, there is a need to convene an interagency body that will set the policy direction of the Project, and ensure proper complementation, cooperation and coordination of executing and implementing agencies, and relevant stakeholders; and

WHEREAS, Section 17, Article VII of the Constitution provides that the President shall have control over all executive departments, bureaus and offices;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Creation. There is hereby created an Interagency Governing Board (IGB), with the DOF Secretary as Chair and representatives from the following agencies and entities, as members:

- a. National Economic and Development Authority;
- b. Department of Budget and Management;

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- c. Department of the Interior and Local Government;
- d. Department of Information and Communications Technology;
- e. Bureau of Internal Revenue;
- f. Bureau of Local Government Finance (BLGF);
- g. One (1) representative each from the Leagues of Provinces, Cities, and Municipalities;
- h. One (1) representative from a Non-Government Organization, which may be from a women's organization; and
- i. One (1) representative from the Private Sector.

The designated alternate to the DOF Secretary as IGB Chair, shall be the Undersecretary of the Revenue Operations Group of the DOF. The IGB representatives from the government sector shall not be lower than an Assistant Secretary or its equivalent, to be designated by the head of agency, while the representatives from the private sector shall be appointed by the IGB Chair, upon the endorsement of their respective organizational heads.

The IGB shall convene at least twice a year, or as may be necessary upon the call of the Chair. The DOF-BLGF shall perform secretariat services to the IGB.

Section 2. Function. The IGB shall, to the extent permitted by relevant laws, rules and regulations, perform the following:

- a. provide policy direction and oversight function in the implementation of the LGRP relative to: (i) property valuation and assessment reform activities; (ii) project strategy and direction; and (iii) project oversight and coordination;
- b. ensure the attainment of the following major outputs of the LGRP within its implementation timetable: (i) strengthen institutional development and policy support for property valuation; (ii) implement property tax valuation database and information systems; (iii) enhance real property taxation of selected LGUs; and (iv) professionalize local assessors and strengthen capacity of LGUs;
- c. review overall project strategy and direction to ensure its continuing relevance, as well as its alignment with government policies, programs and priorities;
- d. promulgate policy guidance on appropriate measures to address consequent issues and challenges, as may be later identified during project implementation;
- e. oversee LGRP activities and monitor compliance of implementing agencies especially with respect to their commitments and deliverables; and
- f. call on other agencies of the government and other stakeholders to extend full support to the LGRP, including its policy reform agenda.

Section 3. Funding. Expenditures for the conduct of consultative meetings, workshops and similar activities of the IGB and its implementing partners, necessary for the effective implementation of the Project, shall be charged against the funding allocations of the LGRP. This notwithstanding, implementing partners are not precluded from including allocations for subsequent LGRP-related activities in their annual agency appropriations under the General Appropriations Act, subject to the usual budgeting process and accounting rules and regulations.

Section 4. Dissolution. The IGB shall be deemed dissolved on 31 July 2024, unless extended by the President. Before the date of its dissolution, the IGB shall publish its accomplishment report detailing the activities, projects or programs implemented in accordance with the LGRP's four (4) major outputs under Section 2(b) of this Order, the budget utilized, evaluation of the Project and recommendations. A copy of the accomplishment report shall be submitted to the President through the Office of the Executive Secretary.

Section 5. Separability. Should any part or provision of this Order be held unconstitutional or invalid, the other parts or provisions not affected thereby shall continue to be in full force or effect.

Section 6. Effectivity. This Order shall take effect immediately.

DONE in the City of Manila, this 27th day of April, in the year of our Lord, Two Thousand and Twenty-One.



By the President:


SALVADOR C. MEDIALDEA
Executive Secretary

